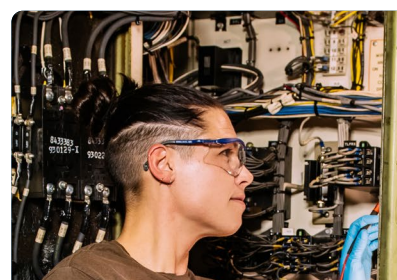


UNIFOR RESEARCH DEPARTMENT

LABOUR MARKET INSIGHTS

A monthly review of labour market indicators

July 2022



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August 5, 2022

National Statistics

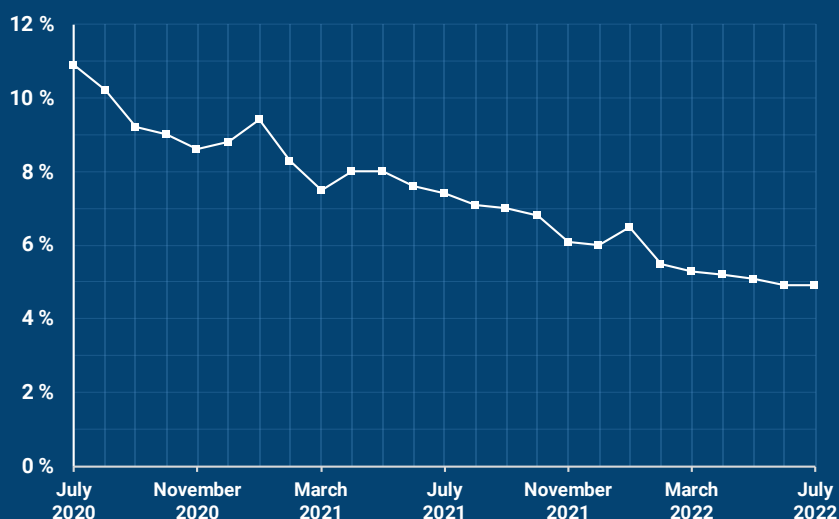
The national unemployment rate held steady at 4.9% in July but the labour market shed another 30,600 jobs as total employment levels fell further. Although the unemployment rate continues to be historically low, there has been an exodus of individuals out of the labour force over the past couple of months, which has kept the unemployment rate level. In effect, the number of jobseekers entering the pool of the unemployed is being outpaced by those exiting the labour market as the labour force shrinks in size. Since May, total employment has fallen by 74,000 while the labour force has lost 124,000 people.

Nominal wages also fell for the first time since February, with average wages declining by 0.3% since June. Adjusted for inflation, average wages are down 2.1% year-over-year as high levels of inflation continue to erode purchasing power.

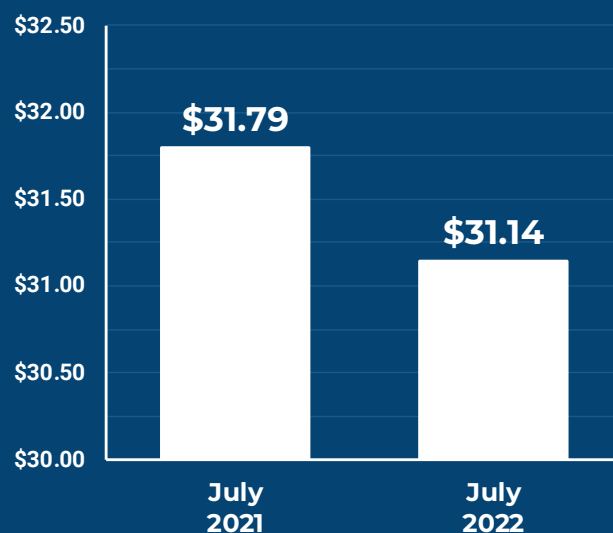
	July average 2016–20	July 2021	July 2022	July 2021–22 Change	June–July 2022 Change
Total employment (#) ¹	18,307,560	18,883,900	19,566,500	682,600 3.6%	-30,600 -0.2%
Unemployment rate (%) ²	7.2	7.5	4.9	-2.6 p.p.	0.0 p.p.
Participation rate (%) ³	65.2	65.2	64.7	-0.5 p.p.	-0.2 p.p.
Union coverage (%) ⁴	29.3	29.5	29.5	0.0 p.p.	-0.7 p.p.
Average hourly wage (\$) ⁵	\$30.84	\$31.79	\$31.14	-2.1%	-0.3%
Average weekly hours (hrs.) ⁶	35.9	35.9	36.2	0.8%	1.1%

*p.p. refers to percentage points.

Unemployment Rate



Real Average Hourly Wage



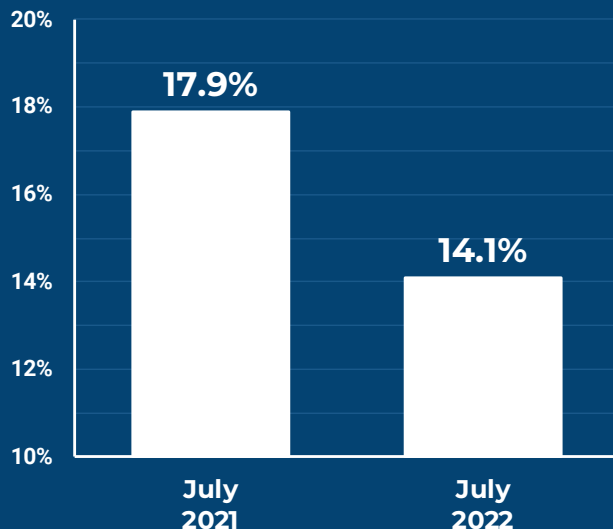
National Precarity Indicators

While Unifor's precarity indicators continue to show notable year-over-year improvements, there are troubling signs that underlying labour market conditions might be beginning to shift. The underutilization (R8) and underemployment rates jumped significantly from June to July after hitting record lows in the previous month. Both indicators are now back to levels that were last seen prior to May, suggesting that the recent exit of jobseekers from the labour force has more to do with sustained difficulties finding suitable employment than voluntary reasons for leaving the labour market.

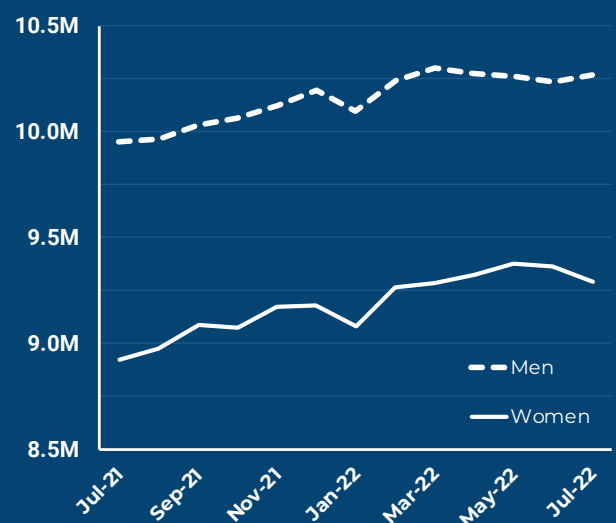
	July 2021	July 2022	July 2021-22 Change (p.p.)	June-July 2022 Change (p.p.)
Part-time rate (%) ⁷	17.2	16.3	-0.9	-1.0
Involuntary part-time (%) ⁸	53.0	46.3	-6.7	3.6
Underutilization (R8) rate (%) ⁹	11.0	7.7	-3.3	1.3
Underemployment rate (%) ¹⁰	17.9	14.1	-3.8	0.8
Multiple job holders (%) ¹¹	5.4	5.4	0.0	-0.2
Temporary job holders (%) ¹²	14.1	13.8	-0.3	-0.1
<i>Casual/other (%)</i>	3.0	3.1	0.1	-0.2
<i>Temporary/contract (%)</i>	7.4	7.0	-0.4	-0.6
<i>Seasonal (%)</i>	3.6	3.7	0.1	0.6
Low wage incidence (%) ¹³	18.9	19.0	0.1	-2.0
Gender pay gap ¹⁴	\$3.46	\$3.78	9.4%	-0.9%
NEETs (x1,000) ¹⁵	1,623.4	1,491.1	-8.1%	82.0%

The brunt of the recent fall in employment has been mostly borne by women, with women's total employment declining by 68,000 jobs in July compared to a 38,000 increase in jobs for men. The next few months will reveal whether these trends are merely temporary or a sign of deeper structural weaknesses in the labour market.

Underemployment Rate



Total Employment by Gender



Regional Statistics

July's employment losses were concentrated almost entirely in Ontario, which accounted for approximately 85% of jobs lost across the five regions – a decline of 27,400 (-0.4%). Employment levels in the Atlantic, Quebec, Prairies and B.C. regions were essentially level with June, although all regions except for B.C. saw a fall in the participation rate, suggesting that the shrinking labour force is a Canada-wide problem.

There were marked differences in the monthly change in average hourly wages, with wages notably increasing in Quebec (+0.4%) and B.C. (+0.7%), while falling significantly in Ontario (-0.7%) and the Prairies (-1.2%). Hourly wages stood essentially unchanged in the Atlantic Region (+0.1%). The sustained strength of Quebec's monthly wage increases means that it is the only region where real wages (i.e., adjusted for inflation) are up year-over-year (+0.6%). High levels of inflation have been particularly damaging to workers' purchasing power in Ontario and the Prairies, where real wages are currently down 2.4% and 5.2%, respectively, compared to July 2021.



Regional Statistics Continued

Atlantic

	July 2021	July 2022	July 2021–22 Change	June–July 2022 Change
Total employment (#)	1,115,500	1,161,300	45,800 4.1%	-600 -0.1%
Unemployment rate (%)	9.6	7.1	-2.5	-0.1
Participation rate (%)	60.2	59.7	-0.5	-0.2
Union coverage (%)	29.8	31.7	1.9	-1.2
Average hourly wage (\$)	\$27.56	\$27.18	-1.4%	0.1%
Average weekly hours (hrs.)	37.2	37.3	0.2%	0.2%



Quebec

	July 2021	July 2022	July 2021–22 Change	June–July 2022 Change
Total employment (#)	4,299,100	4,353,100	54,000 1.3%	-4,500 -0.1%
Unemployment rate (%)	6.1	4.1	-2.0	-0.2
Participation rate (%)	64.5	63.4	-1.1	-0.2
Union coverage (%)	38.1	37.7	-0.4	-1.5
Average hourly wage (\$)	\$30.54	\$30.71	0.6%	0.4%
Average weekly hours (hrs.)	35.6	35.7	0.2%	1.1%



Ontario

	July 2021	July 2022	July 2021–22 Change	June–July 2022 Change
Total employment (#)	7,373,100	7,687,000	313,900 4.3%	-27,400 -0.4%
Unemployment rate (%)	8.0	5.3	-2.7	0.2
Participation rate (%)	65.0	64.8	-0.1	-0.2
Union coverage (%)	25.5	25.8	0.3	0.1
Average hourly wage (\$)	\$32.70	\$31.92	-2.4%	-0.7%
Average weekly hours (hrs.)	36.1	36.3	0.7%	0.5%



Regional Statistics Continued

Prairies

	July 2021	July 2022	July 2021-22 Change	June-July 2022 Change
Total employment (#)	3,440,900	3,617,400	176,500 5.1%	1,200 0.0%
Unemployment rate (%)	7.8	4.5	-3.4	-0.1
Participation rate (%)	68.1	67.8	-0.3	-0.2
Union coverage (%)	27.5	26.5	-1.0	-1.3
Average hourly wage (\$)	\$32.62	\$30.93	-5.2%	-1.2%
Average weekly hours (hrs.)	36.8	37.1	0.8%	0.8%



British Columbia

	July 2021	July 2022	July 2021-22 Change	June-July 2022 Change
Total employment (#)	2,655,200	2,747,500	92,300 3.5%	500 0.0%
Unemployment rate (%)	6.6	4.7	-1.9	0.1
Participation rate (%)	65.4	65.1	-0.3	0.0
Union coverage (%)	28.4	29.5	1.1	-0.6
Average hourly wage (\$)	\$32.28	\$31.74	-1.7%	0.7%
Average weekly hours (hrs.)	35.1	35.8	2.1%	1.4%



Average Wages and Employment Gains/Losses by Industry

Last month's reversal of monthly wage gains meant that many industries experienced further declines in real wages as inflation continued to hit historic highs. Real wages were down significantly in manufacturing and the extractive sector (mining, oil, and gas), while transportation and warehousing saw some of the steepest year-over-year wage declines at nearly 8%. Wages in the public and non-profit sector, including public administration, health care/social assistance, and educational services, are also notably down compared to July 2021, revealing the truly detrimental impact of legislated wage freezes and enforced wage restraint.

Examining the employment figures by industry reveals a more positive picture, with significant year-over-year jobs growth in nearly every sector. Annual employment increases were particularly strong in construction (+132,548), professional, scientific, technical services (+113,333) and information, culture and recreation (+124,142). However, with an anticipated slowdown in economic activity due to higher interest rates and a tighter monetary policy environment, there are growing concerns that some industries will start to see a rapid reversal of employment gains, particularly as we head into the fall.

Average Hourly Wages by Industry

Industry	July 2022	July 2021 – 2022 Change
Agriculture	\$20.81	-3.0%
Forestry	\$32.62	1.8%
Fishing, hunting, and trapping	\$23.65	-11.8%
Mining, oil, and gas	\$44.06	-4.2%
Utilities	\$46.38	-5.4%
Construction	\$32.69	-1.8%
Manufacturing – durables	\$30.74	-4.0%
Manufacturing – non-durables	\$28.88	-2.2%
Wholesale Trade	\$31.82	0.6%
Retail Trade	\$22.13	0.3%
Transportation and Warehousing	\$30.17	-7.9%
Finance and Insurance	\$39.35	-1.1%
Real Estate and rental and leasing	\$29.72	0.0%
Professional, Scientific and Technical Services	\$40.11	2.9%
Business, building and other support	\$24.33	0.8%
Educational Services	\$38.20	-4.8%
Health Care and Social Assistance	\$30.68	-2.3%
Information, Culture and Recreation	\$28.85	-6.7%
Accommodation and Food Services	\$18.40	-0.9%
Other Services	\$27.15	-3.8%
Public Administration	\$39.56	-5.2%

Average Wages and Employment Gains/Losses by Industry Continued

Employment Change by Industry, July 2021 to July 2022

Agriculture	640
Forestry	-2,329
Fishing, hunting, and trapping	-4,122
Mining, oil, and gas	6,931
Utilities	5,916
Construction	132,548
Manufacturing - durables	24,202
Manufacturing - non-durables	16,684
Wholesale Trade	34,066
Retail Trade	52,604
Transportation and Warehousing	26,988
Finance and Insurance	21,786
Real Estate and rental and leasing	6,788
Professional, Scientific, Technical Services	113,333
Business, building and other support	-19,575
Educational Services	27,196
Health Care and Social Assistance	24,027
Information, Culture and Recreation	124,142
Accommodation and Food Services	66,648
Other Services	-36,222
Public Administration	76,122



NOTES

1. Total employment counts all working age individuals (15 years old and above) who are currently employed. Seasonally adjusted.
2. The unemployment rate expresses the percentage of working age Canadians who are unemployed and actively seeking work. It does not include unemployed individuals who are not currently searching for jobs or who are permanently without work, and who are therefore considered to fall outside the labour market. Seasonally adjusted.
3. The participation rate expresses the percentage of all working age Canadians who are participating in the labour market, including both employed and unemployed (actively job-seeking) individuals. Seasonally adjusted.
4. Union coverage includes workers who are union members as well as those who are non-unionized but covered by the terms of a collective agreement.
5. The average hourly wage is adjusted for inflation and is expressed in current dollars.
6. The average weekly hours measure is calculated by averaging usual weekly hours worked at main jobs per individual.
7. The part-time rate measures the percentage of all employed workers who are working part-time hours.
8. The involuntary part-time rate measures the percentage of part-time workers who wanted full-time employment.
9. The underutilization rate, or R8, is used by Statistics Canada to measure underutilized labour. It adds to the unemployment rate those who are waiting for recall or replies, long-term future starts, discouraged workers (those who did not search because they believed no jobs were available) and a portion of involuntary part-time workers.
10. The underemployment rate measures the percentage of Canadians who want work but cannot find suitable employment or who do not have adequate support systems in place that would allow them to engage in job-seeking. It therefore measures the true extent of labour underutilization in Canada. The underemployment rate adds to the unemployment rate all involuntary part-time workers and the marginally attached (i.e. those who wanted to work but who were not able to actively search for jobs due to extenuating circumstances).
11. The multiple job holder rate measures the percentage of employed workers who hold two or more jobs.
12. The temporary job holder rate measures the percentage of employed workers whose jobs are temporary in tenure.
13. Low wage incidence is expressed as the percentage of hourly wage earners earning less than two-thirds of the median hourly wage. This measure is a widely accepted standard for determining the low pay threshold.
14. The gender pay gap measures the average difference in income between men and women who earn hourly wages. A positive gap indicates that men earn, on average, more than women.
15. The NEET category measures the number of Canadians aged 15 to 29 who are currently not in employment, education or training.





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